

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

IN RE:) Bankruptcy Case No. 20-30706
) Chapter 7
PERFECT FIT INDUSTRIES, LLC,)
)
Debtor.)

**TRUSTEE’S MOTION FOR CONTEMPT OF COURT AGAINST SV LOGISTICS
AND REQUEST FOR SANCTIONS**

John W. Taylor, Trustee, respectfully moves the Court for the entry of an order finding SV Logistics Trans Corp. d/b/a SV Logistics in contempt of Court and for the entry of monetary sanctions against it and in support thereof says:

1. The Movant is the duly appointed and acting Trustee in the above captioned Chapter 7 bankruptcy case, which was filed on July 24, 2020. The Trustee brings the Motion pursuant to Section 105 of the Bankruptcy Code, Bankruptcy Rule 9014 and the Court’s inherent authority to enforce its own orders.

2. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334(b). The Motion is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (M), (N) and (O).

3. On September 3, 2020, the Court entered its Order Granting Trustee’s Motion for Authority to Sell Inventory, Trademarks and Certain Personal Property Free and Clear of Liens, Claims, Encumbrances and Other Interests Pursuant to 11 U.S.C. § 363, Docket No. 47 (“Order”).

4. On September 4, 2020, the Trustee served the Order on SV Logistics Trans Corp. d/b/a SV Logistics (“SV Logistics”) by both email at 2:51 p.m. to its managing agent, Rene Salazar, at rene@svlogisticscorp.com by Federal Express overnight delivery.

5. Mr. Salazar received Trustee’s email with the Order attached. SV Logistics received the Order by FedEx on September 5, 2020, at 11:01 a.m.

6. Decretal paragraph 5 of the Order states, "Upon notice by the Trustee that the sale has closed, Regal West and SV Logistics shall turnover Part One of the Personal Property to Royal Heritage and Part Two of the Personal Property to R&M Group and such turnover of the inventory be conducted as expeditiously as possible to minimize any additional storage fees to the Bankruptcy Estate associated with Part Two of the Personal Property."

7. On September 4, 2020, at 6:08 p.m. the Trustee notified SV Logistics by email that the sale has closed, that its lien rights transferred to the sale proceeds and that it was required to release the inventory.

8. SV Logistics received the Trustee's email notice that the sale had closed.

9. On September 8, 2020, R&M Group, LLC, requested pick up instructions from SV Logistics to pick up the inventory it had purchased from the bankruptcy estate.

10. SV Logistics failed or refused to turn over the inventory to R&M Group, LLC.

11. On September 9, 2020, the Trustee spoke with Mr. Salazar regarding the Order and the turnover of the inventory. Mr. Salazar confirmed to the Trustee that he had received the Trustee's emails and that he had received the Order. Mr. Salazar told the Trustee that he would turn over the inventory to R&M Group, LLC.

12. On September 11, 2020, the Trustee was informed by R&M Group, LLC that SV Logistics is continuing to refuse to turn over the inventory.

13. The Trustee requests that the Court enter an Order finding SV Logistics in contempt of the Order for failing to turn over the inventory and ordering that it pay monetary sanctions to the bankruptcy estate in an amount equal to the expense of bringing this motion.

WHEREFORE, the Trustee prays the Court that it find SV Logistics Trans Corp. d/b/a SV Logistics in contempt of the Court's Order entered September 3, 2020, and that sanctions be entered against it for the expense of this motion and for such other and further relief as the Court deems just and

proper.

This the 11th day of September, 2020.

/s/ John W. Taylor
John W. Taylor, Bar No. 21378
Attorney for Trustee
4600 Park Road, Suite 420
Charlotte, NC 28209
(704) 540-3622

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served a copy of the TRUSTEE'S MOTION FOR CONTEMPT OF COURT AGAINST SV LOGISTICS AND REQUEST FOR SANCTIONS and NOTICE OF HEARING (HEARING SCHEDULED), by either Electronic Case Filing as indicated or depositing copies of same in the exclusive care and custody of the United States Postal Service, with proper postage thereto affixed to the below listed parties this 11th day of September, 2020.

Joseph W. Grier, III, Attorney for Debtor

Via Electronic Case Filing

SV Logistics
Attn: Rene Salazar
19818 Alameda St.
Compton, CA 90221

/s/ John W. Taylor
John W. Taylor, Bar No. 21378
Attorney for Trustee
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